

SA 1750. Mr. RUBIO (for himself, Mr. SCOTT of Florida, and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 439, strike line 10, and all that follows through page 440, line 10, and insert the following:

(d) EXCLUDED SPECIES.—It shall not be a violation of subsection (b) for any person to possess, transport, offer for sale, sell, process, or purchase any fresh, frozen, raw or otherwise processed fin or tail from any stock of the following species:

- (1) *Mustelus canis* (smooth dogfish).
- (2) *Squalus acanthias* (spiny dogfish).
- (3) *Rhizoprionodon terraenovae* (Atlantic sharpnose).
- (4) *Carcharhinus acronotus* (Blacknose).
- (5) *Carcharhinus limbatus* (Blacktip).
- (6) *Carcharhinus longimanus* (Oceanic whitetip).
- (7) *Carcharhinus leucas* (Bull).
- (8) *Carcharhinus isodon* (Finetooth).
- (9) *Mustelus norrisi* (Florida smoothhound).
- (10) *Mustelus sinuatus* (Gulf smoothhound).
- (11) *Sphyrna mokarran* (great Hammerhead).
- (12) *Sphyrna lewini* (scalloped Hammerhead).
- (13) *Sphyrna zygaena* (smooth Hammerhead).
- (14) *Negaprion brevirostris* (Lemon).
- (15) *Ginglymostoma cirratum* (Nurse).
- (16) *Lamna nasus* (Porbeagle).
- (17) *Isurus oxyrinchus* (Shortfin Mako).
- (18) *Carcharhinus brevipinna* (Spinner).
- (19) *Alopias vulpinus* (Thresher).
- (20) *Galeocerdo cuvier* (Tiger).
- (21) *Carcharhinus plumbeus* (Sandbar).

SA 1751. Mr. RUBIO submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I of division E, add the following:

SEC. 51. MARKET INDEXES.

(a) IN GENERAL.—The Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amended—

- (1) in section 8(b) (15 U.S.C. 80a–8(b))—
 - (A) in paragraph (4), by striking “and” at the end;
 - (B) in paragraph (5), by striking the period at the end and inserting “; and”; and
 - (C) by adding at the end the following:

“(6) a disclosure of—

“(A) whether the registrant intends to track the returns of, or benchmark against, a specific index of securities; and

“(B) if the registrant intends to track the returns of, or benchmark against, a specific index of securities—

- “(i) the identity of the index provider;
- “(ii) any involvement of the registrant in designing the index;
- “(iii) any ability of the registrant to influence the construction or composition of the index; and
- “(iv) any licensing fees paid by the registrant to the index provider.”;

(2) in section 13 (15 U.S.C. 80a–13)—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following:

“(c) CHANGE IN INVESTMENT POLICY RELATING TO INDEXING.—

“(1) IN GENERAL.—With respect to a registered investment company that tracks the returns of, or benchmarks against, a specific index of securities, if a deviation with respect to that index occurs such that the deviation would be permitted under subsection (a)(3) if made directly by the investment company only if authorized by the vote of a majority of the outstanding voting securities of the investment company, the investment company may not continue to so track, or benchmark against, the index, unless so authorized by such a vote or by a vote by the board of directors of the investment company.

“(2) RULE OF CONSTRUCTION.—For the purposes of paragraph (1), a deviation with respect to an index that requires a vote, as described in that paragraph, includes such a deviation that adds new, or increases the weighting of, securities—

“(A) of issuers that are headquartered or incorporated in the People’s Republic of China; or

“(B) that are listed on exchanges in the People’s Republic of China.”; and

(3) in section 30 (15 U.S.C. 80a–29)—

(A) in subsection (b)(1), by striking “this title; and” and inserting the following: “this title, which shall include—

“(A) information regarding whether the registered investment company tracks the returns of, or benchmarks against (or intends to track, or benchmark against), a specific index of securities; and

“(B) if the registered investment company engages in, or intends to engage in, the action described in subparagraph (A), the information described in section 8(b)(6)(B) with respect to the index described in subparagraph (A) of this paragraph; and”;

(B) by adding at the end the following:

“(k) ANNUAL DISCLOSURE REGARDING CHINESE SECURITIES.—

“(1) IN GENERAL.—Each registered investment company shall annually transmit to the stockholders of the investment company a report containing information regarding, with respect to any security owned by the investment company that is issued by an issuer that is headquartered or incorporated in the People’s Republic of China or listed on an exchange in the People’s Republic of China—

“(A) the percentage of the securities of that issuer that are owned by governmental entities in the People’s Republic of China;

“(B) whether the entities described in subparagraph (A) have a controlling financial interest with respect to the issuer;

“(C) the name of any official of the Chinese Communist Party who is a member of the board of directors of—

- “(i) the issuer; or
- “(ii) the operating entity with respect to the issuer;

“(D) whether the articles of incorporation of the issuer (or equivalent organizing document) contains any charter of the Chinese Communist Party, including the text of any such charter; and

“(E) whether the investment company was unable to obtain any of the information required under any of subparagraphs (A) through (D).

“(2) INCLUSION PERMITTED.—A report that a registered investment company is required to transmit under paragraph (1) may be included in a report that the investment company is required to transmit under subsection (e).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)) is amended, in the matter preceding paragraph (1), by striking “section 13(c)(1)(B)” and inserting “section 13(d)(1)(B)”.

(c) UPDATES TO RULES.—Not later than 1 year after the date of enactment of this Act, the Securities and Exchange Commission shall make any updates to the rules of the Commission that are necessary as a result of this section and the amendments made by this section.

SA 1752. Mr. RUBIO (for himself, Mr. COTTON, and Mr. SCOTT of Florida) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I of division E, add the following:

SEC. 51. AMERICAN FINANCIAL MARKETS INTEGRITY AND SECURITY.

(a) PROHIBITIONS RELATING TO CERTAIN COMMUNIST CHINESE MILITARY COMPANIES.—

(1) DEFINITIONS.—In this subsection:

(A) COMMISSION.—The term “Commission” means the Securities and Exchange Commission.

(B) CONTROL; INSURANCE COMPANY.—The terms “control” and “insurance company” have the meanings given the terms in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)).

(C) COVERED ENTITY.—

(i) IN GENERAL.—The term “covered entity”—

(I) means an entity on—

(aa) the list of Communist Chinese military companies required by section 1237(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1701 note); or

(bb) the entity list maintained by the Bureau of Industry and Security of the Department of Commerce and set forth in Supplement No. 4 to part 744 of the title 15, Code of Federal Regulations; and

(II) includes a parent, subsidiary, or affiliate of, or an entity controlled by, an entity described in subclause (I).

(ii) GRACE PERIOD.—For the purposes of this section, and the amendments made by this section, an entity shall be considered to be a covered entity beginning on the date that is 1 year after the date on which the entity first qualifies under the applicable provision of clause (i).

(D) EXCHANGE; SECURITY.—The terms “exchange” and “security” have the meanings given those terms in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(2) PROHIBITIONS.—

(A) LISTING ON EXCHANGE.—Beginning on the date that is 1 year after the date of enactment of this Act, the Commission shall prohibit a covered entity from offering to sell or selling on an exchange (or through any other method that is within the jurisdiction of the Commission to regulate, including through the method of trading that is commonly referred to as the “over-the-counter” trading of securities) securities issued by the covered entity, including pursuant to an exemption to section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(B) INVESTMENTS; LIMITATION ON ACTIONS.—

(i) IN GENERAL.—The Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amended—

(I) in section 12(d) (15 U.S.C. 80a–12(d)), by adding at the end the following:

“(4)(A) It shall be unlawful for any investment company, or any person that would be an investment company but for the application of paragraph (1) or (7) of section 3(c), to invest in a covered entity.

“(B) In this paragraph, the term ‘covered entity’ has the meaning given the term in section 2(a) of the American Financial Markets Integrity and Security Act.”; and

(II) in section 13(c)(1) (15 U.S.C. 80a–13(c)(1))—

(aa) in subparagraph (A), by striking “or” at the end;

(bb) in subparagraph (B), by striking the period at the end and inserting “or”; and

(cc) by adding at the end the following:

“(C) are covered entities, as that term is defined in section 12(d)(4)(B).”.

(ii) EFFECTIVE DATE.—The amendments made by clause (i) shall take effect on the date that is 1 year after the date of enactment of this Act.

(C) FEDERAL FUNDS.—

(i) IN GENERAL.—Except as provided in clause (ii), on and after the date that is 180 days after the date of enactment of this Act, no Federal funds may be used to enter into, extend, or renew a contract or purchasing agreement with a covered entity.

(ii) WAIVER.—The head of a Federal agency may issue a national security waiver to the prohibition in clause (i) for a period of not more than 2 years with respect to a covered entity if the agency head submits to Congress a notification that includes—

(I) a written justification for the waiver; and

(II) a plan for a phase-out of the goods or services provided by the covered entity.

(D) INVESTMENTS BY INSURANCE COMPANIES.—

(i) IN GENERAL.—On and after the date of enactment of this Act, an insurance company may not invest in a covered entity.

(ii) CERTIFICATION OF COMPLIANCE.—

(I) IN GENERAL.—Each insurance company shall, on an annual basis, submit to the Secretary of the Treasury a certification of compliance with clause (i).

(II) RESPONSIBILITIES OF THE SECRETARY.—The Secretary of the Treasury shall create a form for the submission required under subsection (I) in such a manner that minimizes the reporting burden on an insurance company making the submission.

(iii) SHARING INFORMATION.—The Secretary of the Treasury, acting through the Federal Insurance Office, shall share the information received under clause (ii) and coordinate verification of compliance with State insurance offices.

(3) QUALIFIED TRUSTS, ETC.—

(A) IN GENERAL.—Subsection (a) of section 401 of the Internal Revenue Code of 1986 is

amended by inserting after paragraph (38) the following new paragraph:

“(39) PROHIBITED INVESTMENTS.—A trust which is part of a plan shall not be treated as a qualified trust under this subsection unless the plan provides that no part of the plan’s assets will be invested in any covered entity (as defined in section 12(d)(6)(B) of the Investment Company Act of 1940).”.

(B) IRAS.—Paragraph (3) of section 408(a) of such Code is amended by striking “contracts” and inserting “contracts or in any covered entity (as defined in section 12(d)(6)(B) of the Investment Company Act of 1940).”.

(C) FIDUCIARY DUTY.—Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104) is amended by adding at the end the following new subsection:

“(f) PROHIBITED INVESTMENTS.—No fiduciary shall cause any assets of a plan to be invested in any covered entity (as defined in section 12(d)(6)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–12(d)(6)(B))).”.

(D) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply to plan years beginning after the date which is 180 days after the date of the enactment of this Act.

(ii) PLAN AMENDMENTS.—If clause (iii) applies to any retirement plan or contract amendment—

(I) such plan or contract shall not fail to be treated as being operated in accordance with the terms of the plan during the period described in clause (iii)(II) solely because the plan operates in accordance with the amendments made by this paragraph, and

(II) except as provided by the Secretary of the Treasury (or the Secretary’s delegate), such plan or contract shall not fail to meet the requirements of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(iii) AMENDMENTS TO WHICH PARAGRAPH APPLIES.—

(I) IN GENERAL.—This subparagraph shall apply to any amendment to any plan or annuity contract which—

(aa) is made pursuant to the provisions of this subsection, and

(bb) is made on or before the last day of the first plan year beginning on or after the date which is 2 years after the date of the enactment of this Act (4 years after such date of enactment, in the case of a governmental plan).

(II) CONDITIONS.—This subparagraph shall not apply to any amendment unless—

(aa) during the period beginning on the date which is 180 days after the date of the enactment of this Act, and ending on the date described in subclause (I)(bb) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect, and

(bb) such plan or contract amendment applies retroactively for such period.

(iv) SUBSEQUENT AMENDMENTS.—Rules similar to the rules of clauses (ii) and (iii) shall apply in the case of any amendment to any plan or annuity contract made pursuant to any update of the list of Communist Chinese military companies required by section 1237(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1701 note) which is made after the effective date of the amendments made by this paragraph.

(b) MODIFICATION OF REQUIREMENTS FOR LIST OF COMMUNIST CHINESE MILITARY COMPANIES.—Section 1237(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1701 note) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2) REVISIONS TO THE LIST.—

“(A) ADDITIONS.—The Secretary of Defense, the Secretary of Commerce, or the Director of National Intelligence may add a person to the list required by paragraph (1) at any time.

“(B) REMOVALS.—A person may be removed from the list required by paragraph (1) if the Secretary of Defense, the Secretary of Commerce, and the Director of National Intelligence agree to remove the person from the list.

“(C) SUBMISSION OF UPDATES TO CONGRESS.—Not later than February 1 of each year, the Secretary of Defense shall submit a version of the list required in paragraph (1), updated to include any additions or removals under this paragraph, to the committees and officers specified in paragraph (1).”;

(2) by striking paragraph (3) and inserting the following:

“(3) CONSULTATION.—In carrying out paragraphs (1) and (2), the Secretary of Defense, the Secretary of Commerce, and the Director of National Intelligence shall consult with each other, the Attorney General, and the Director of the Federal Bureau of Investigation.”; and

(3) in paragraph (4), in the matter preceding subparagraph (A), by striking “making the determination required by paragraph (1) and of carrying out paragraph (2)” and inserting “this section”.

(c) ANALYSIS OF FINANCIAL AMBITIONS OF THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA.—

(1) ANALYSIS REQUIRED.—The Director of the Office of Commercial and Economic Analysis of the Air Force shall conduct an analysis of—

(A) the strategic importance to the Government of the People’s Republic of China of inflows of United States dollars through capital markets to the People’s Republic of China;

(B) the methods by which that Government seeks to manage such inflows;

(C) how the inclusion of the securities of Chinese entities in stock or bond indexes affects such inflows and serves the financial ambitions of that Government; and

(D) how the listing of the securities of Chinese entities on exchanges in the United States assists in—

(i) meeting the strategic goals of that Government, including defense, surveillance, and intelligence goals; and

(ii) the fusion of the civilian and military components of that Government.

(2) SUBMISSION TO CONGRESS.—The Director of the Office of Commercial and Economic Analysis of the Air Force shall submit to Congress a report—

(A) setting forth the results of the analysis conducted under paragraph (1); and

(B) based on that analysis, making recommendations for best practices to mitigate any national security and economic risks to the United States relating to the financial ambitions of the Government of the People’s Republic of China.

SA 1753. Mr. RUBIO (for himself and Mr. RISCH) submitted an amendment intended to be proposed by him to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for